

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2015-AH-0071**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

**AMERICAN FINANCIAL NETWORK, INC.
(MC96916, MC99566, MC299559, MC305174, & MC305670)**

RESPONDENT

* * * * *

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing entities engaged in mortgage brokering, origination, and processing in accordance with the provisions set forth in KRS Chapter 286.8.

2. American Financial Network, Inc., ("Respondent") is authorized to do business in Kentucky as a mortgage company licensee pursuant to KRS Chapter 286.8, with a designated Kentucky fulfillment and origination branch located in Maineville, Ohio. Respondent's license numbers are MC96916, MC99566, MC299559, MC305174, & MC305670. (ICIE 322093)

3. DFI conducted an examination of the Respondent on January 14, 2015, and discovered that Respondent employed an unregistered person who acted as mortgage loan processor on behalf of Respondent for four Kentucky loans in violation of KRS 286.8-030(1)(c) and 286.8-255(1).

4. DFI's examination also discovered that during the period of April through September 2014, Respondent transacted business as a mortgage loan company by originating four Kentucky loans through its branch at 301 Harris Road, Grant Pass, Oregon (NMLS #1182619) prior to obtaining a branch license in violation of KRS 286.8-030(1)(a).

5. DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, suspension or the imposition of civil penalties. See KRS 286.8-046 and 286.8-090.

6. In this case, DFI assessed a civil penalty against Respondent in the amount of Three Thousand Five Hundred Dollars (\$3,500.00) for violating KRS 286.8.

7. In the interest of economically and efficiently resolving the violation(s) described herein, DFI and Respondent agree as follows:

a. Respondent agrees to a civil penalty assessment in the amount of Three Thousand Five Hundred Dollars (\$3,500.00) for the violation(s) described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of Three Thousand Five Hundred Dollars (\$3,500.00). The payment shall be due when Respondent signs and returns the Agreed Order. The payment shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Non-Depository Division – ORDER, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8.

7. Respondent waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

8. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. Respondent agrees to cease and desist from using an unlicensed loan processor in Kentucky and originating loans from branch locations until such time as the requirements of KRS Chapter 286.8 are met.

10. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

11. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

12. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 8th day of June, 2015.

Marty Hanna on behalf of
CHARLES A. VICE
COMMISSIONER *Charles Vice*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF San Bernardino)

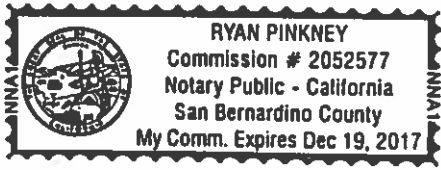
On May 15, 2015 before me, Ryan Pinkney, Notary Public, personally appeared John B. Sherman,

who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/het/their authorized capacity(ies), and that by his/het/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



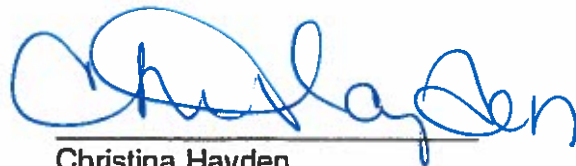
CERTIFICATE OF SERVICE

I, Christina Hayden, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 9 day of June, 2015, by certified mail, return receipt requested, to:

Ms. Deborah McDonald, Chief Compliance Officer
American Financial Network, Inc.
3110 Chino Avenue, Suite 290
Chino Hills, CA 91709

Via hand-delivery to:

Hon. Gary W. Adkins
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601



Christina Hayden
Department of Financial Institutions